First Regular Session Seventy-second General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 19-0949.01 Jennifer Berman x3286

SENATE BILL 19-198

SENATE SPONSORSHIP

Todd and Coram,

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Buentello and Gray,

Senate Committees State, Veterans, & Military Affairs **House Committees**

A BILL FOR AN ACT

101 CONCERNING THE CONTINUED MANAGEMENT OF WASTE TIRES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <u>http://leg.colorado.gov</u>.)

To encourage resource recovery, recycling, and reuse of waste tires, there is a waste tire fee assessed on each new tire sold in the state. Commencing on January 1, 2020, the bill raises the waste tire fee from 55 cents to up to \$2.00, as set by the solid and hazardous waste commission by rule, and, on January 1, 2024, reduces it to 55 cents.

The bill also recreates the end users fund, into which fund, on and after January 1, 2020, 75% of the revenue collected from the waste tire fee will be transferred. The fund is used to provide rebates to end users

for the processing of waste tires into tire-derived products or fuel. The end users fund and the rebate program are repealed on July 1, 2025.

The bill increases the number of waste tires that an owner or operator of a waste tire monofill is required to process into tire-derived product from 2 to 5.

1 *Be it enacted by the General Assembly of the State of Colorado:* 2 SECTION 1. In Colorado Revised Statutes, 30-20-1402, amend 3 (1); and **add** (1.2), (1.5), (7.5), and (9.5) as follows: 4 **30-20-1402.** Definitions. As used in this part 14, unless the 5 context otherwise requires: (1) "Beneficial user" means a person who uses solid waste as an 6 7 ingredient in a manufacturing process or as an effective substitute for 8 natural or commercial products, in a manner that does not pose a threat 9 to human health or the environment. Avoidance of processing or disposal 10 cost alone does not constitute beneficial use "ALTERNATIVE DAILY COVER" MEANS AT LEAST THREE INCHES OF EARTHEN MATERIAL OR OTHER 11 12 SUITABLE MATERIAL PLACED OVER THE EXPOSED SOLID WASTE AT THE END 13 OF EACH OPERATING DAY, OR AT SUCH FREQUENCIES AS NEEDED TO 14 PREVENT OR MINIMIZE NUISANCE CONDITIONS. 15 (1.2) "ASTM STANDARD D6270" MEANS THE AMERICAN SOCIETY 16 FOR TESTING AND MATERIALS STANDARD ENTITLED "STANDARD 17 PRACTICE FOR USE OF SCRAP TIRES IN CIVIL ENGINEERING 18 APPLICATIONS", EFFECTIVE ON DECEMBER 15, 2017. (1.5) "BENEFICIAL USER" MEANS A PERSON WHO USES SOLID 19 20 WASTE FOR ENERGY RECOVERY IN A MANUFACTURING PROCESS OR AS AN 21 EFFECTIVE SUBSTITUTE FOR NATURAL OR COMMERCIAL PRODUCTS, IN A 22 MANNER THAT DOES NOT POSE A THREAT TO HUMAN HEALTH OR THE 23 ENVIRONMENT. AVOIDANCE OF PROCESSING OR DISPOSAL COST ALONE

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1 DOES NOT CONSTITUTE BENEFICIAL USE.

2 (7.5) "RURAL COUNTY" MEANS A COUNTY WITH A POPULATION OF
3 FEWER THAN SIXTY THOUSAND RESIDENTS.

4 (9.5) "TON" MEANS A UNIT OF WEIGHT EQUAL TO TWO THOUSAND
5 POUNDS.

6 SECTION 2. In Colorado Revised Statutes, 30-20-1403, amend
7 (1)(a) and (2) as follows:

8 **30-20-1403.** Waste tire fee - distribution - rules. 9 (1) (a) (I) EFFECTIVE JANUARY 1, 2020, retailers of new motor vehicle 10 tires and new trailer tires shall collect a waste tire fee in an amount to be 11 set by the commission, by rule, not to exceed one dollar and fifty cents 12 TWO DOLLARS on the sale of each new tire; except that, effective on and 13 after January 1, 2018 2024, the waste tire fee is fifty-five cents on the sale 14 of each new tire.

(II) EFFECTIVE JANUARY 1, 2020, THE COMMISSION MAY REVIEW
THE FEE ON AN ANNUAL BASIS AND, BY RULE, ADJUST THE FEE AMOUNT IN
A MANNER CONSISTENT WITH THE OBLIGATIONS SET FORTH IN SUBSECTION
(2) OF THIS SECTION.

(III) The receipt from the retailer to the customer for every new
tire PURCHASED must contain the following statement in the largest
bold-faced type capable based on point-of-sale software and on existing
invoice printers, not to exceed fifteen points: "Section 30-20-1403,
Colorado Revised Statutes, requires retailers to collect a waste tire fee set
by the solid and hazardous waste commission on the sale of each new
motor vehicle tire and each new trailer tire."

(2) (a) Until December 31, 2017 JUNE 30, 2025, the state treasurer
 shall distribute the revenue from the fee assessed in subsection (1) of this

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1 section as follows:

2 (I) Thirty TWENTY-FIVE percent to the waste tire administration,
3 enforcement, MARKET DEVELOPMENT, and cleanup fund created in section
30-20-1404; AND

5 (II) Sixty-five SEVENTY-FIVE percent to the end users fund created
6 in section 30-20-1405. and

7 (III) Five percent to the waste tire market development fund
8 created in section 30-20-1406.

9 (b) Effective January 1, 2018, the state treasurer shall distribute 10 all of the revenue from the fee assessed in subsection (1) of this section 11 to the waste tire administration, enforcement, and cleanup fund created 12 in section 30-20-1404.

13 SECTION 3. In Colorado Revised Statutes, 30-20-1404, amend
14 (1) as follows:

15 30-20-1404. Waste tire administration, enforcement, market 16 development, and cleanup fund - creation - rules. (1) There is hereby 17 created in the state treasury the waste tire administration, enforcement, 18 MARKET DEVELOPMENT, and cleanup fund, referred to in this section as 19 the "fund", consisting of the fee revenue credited pursuant to section 20 30-20-1403 (2)(a)(I) or (2)(b) and any other moneys MONEY appropriated 21 to it. The general assembly shall annually appropriate the moneys MONEY 22 in the fund to the department for its direct and indirect administrative and 23 enforcement costs in administering and enforcing this part 14. The state 24 treasurer shall credit all interest earned on the investment of moneys 25 MONEY in the fund to the fund. Any unexpended and unencumbered 26 moneys MONEY in the fund IN EXCESS OF SIXTEEN AND ONE-HALF 27 PERCENT OF THE PREVIOUS FISCAL YEAR'S EXPENDITURES at the end of any fiscal year remain in the fund and do not revert to the general fund or any
 other fund SHALL BE CREDITED:

3 (a) THROUGH JUNE 30, 2025, TO THE END USERS FUND CREATED IN
4 SECTION 30-20-1405; AND

(b) ON AND AFTER JULY 1, 2025, TO THE GENERAL FUND.

6 SECTION 4. In Colorado Revised Statutes, recreate and 7 reenact, with amendments, 30-20-1405 as follows:

8 30-20-1405. End users fund - creation - monthly rebates - rules 9 - repeal. (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE 10 END USERS FUND, REFERRED TO IN THIS SECTION AS THE "FUND", 11 CONSISTING OF THE FEE REVENUE CREDITED PURSUANT TO SECTION 12 30-20-1403 (2)(a)(II). THE STATE TREASURER SHALL CREDIT ALL 13 INTEREST AND ANY OTHER RETURN ON THE INVESTMENT OF MONEY IN THE 14 FUND TO THE FUND. THE FUND IS SUBJECT TO ANNUAL APPROPRIATION BY 15 THE GENERAL ASSEMBLY TO THE DEPARTMENT FOR THE PURPOSES 16 SPECIFIED IN THIS SECTION.

- 17 (2) (a) THE DEPARTMENT SHALL USE THE MONEY IN THE FUND TO
 18 PROVIDE QUARTERLY REBATES TO IN-STATE:
- 19 (I) END USERS; AND

5

20 (II) RETAILERS THAT SELL TIRE-DERIVED PRODUCTS.

(b) A COLLECTOR OF TIRES IN A RURAL COUNTY IS ONLY ELIGIBLE
FOR REBATES PURSUANT TO THIS SUBSECTION (2) IF THE COLLECTOR IS
ALSO AN END USER.

- 24 (3) THE REBATE IS SUBJECT TO THE FOLLOWING CONDITIONS:
- 25 (a) THE DEPARTMENT SHALL PAY THE REBATE AMOUNT
 26 QUARTERLY, ON A PER-TON BASIS; AND
- 27 (b) ONCE THE DEPARTMENT HAS PAID A REBATE ON A PARTICULAR

QUANTITY OF TIRE-DERIVED PRODUCT, EVERY PART OF THAT PARTICULAR
 QUANTITY OF TIRE-DERIVED PRODUCT IS NO LONGER ELIGIBLE FOR
 PAYMENT OF THE REBATE.

4 (4) (a) THE COMMISSION SHALL ANNUALLY SET THE AMOUNT OF
5 THE REBATE, BY RULE, ON A PER-TON BASIS, AND THE DEPARTMENT SHALL
6 PAY THE SET REBATE AMOUNT FOR EACH TON OF QUALIFIED TIRE-DERIVED
7 PRODUCT. THE COMMISSION SHALL CALCULATE THE REBATE TO EQUAL,
8 BUT NOT EXCEED, THE AMOUNT OF THE ANTICIPATED INCOME
9 TRANSFERRED INTO THE FUND DURING EACH SUCCEEDING TWELVE-MONTH
10 PERIOD.

(b) EACH YEAR, THE DEPARTMENT SHALL CONTINUE TO PROVIDE
THE REBATE IN ACCORDANCE WITH THE TIERED STRUCTURE SET FORTH IN
SUBSECTION (5)(e) OF THIS SECTION UNTIL:

14 (I) ALL QUALIFIED REBATE REQUESTS SUBMITTED IN THAT YEAR
15 ARE SATISFIED; OR

16 (II) THERE IS INSUFFICIENT MONEY IN THE FUND TO SUPPORT17 ADDITIONAL REBATE PAYMENTS.

18 (5) THE COMMISSION SHALL PROMULGATE RULES GOVERNING
19 ADMINISTRATION OF THE REBATE, WHICH RULES MUST INCLUDE THE
20 FOLLOWING:

(a) A QUARTERLY REBATE SCHEDULE FOR QUALIFIED RECIPIENTS,
WITH THE FIRST END USER PAYOUT IN JULY 2020, TO BE ISSUED FOR END
USES THAT OCCUR BETWEEN APRIL 1, 2020, AND JUNE 30, 2020;

(b) A REQUIREMENT THAT TWENTY-FIVE PERCENT OF THE
EXPECTED ANNUAL REBATE AMOUNT BE HELD IN RESERVE BEFORE PAYING
THE FIRST QUARTERLY REBATE;

27 (c) If the balance of the fund is anticipated to be

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INSUFFICIENT TO PAY OUT ALL OF THE REBATES APPLIED FOR, A
 REQUIREMENT THAT THE DEPARTMENT GIVE NOTICE OF THE ANTICIPATED
 INSUFFICIENCY TO ALL END USERS THAT DURING THE PRECEDING TWELVE
 MONTHS HAVE SUBMITTED AN APPLICATION FOR A REBATE;

5 (d) A REQUIREMENT THAT AN END USER THAT QUALIFIES FOR A
6 REBATE BY UTILIZING WASTE TIRES FOR:

7 (I) ALTERNATIVE DAILY COVER MUST VERIFY WITH THE
8 DEPARTMENT THAT THE ALTERNATIVE DAILY COVER MEETS ALL
9 SPECIFICATION STANDARDS FOR ALL TYPE-B-DERIVED TIRES, AS
10 ESTABLISHED BY THE ASTM STANDARD D6270; AND

(II) TIRE-DERIVED AGGREGATE MUST VERIFY WITH THE
DEPARTMENT THAT THE TIRE-DERIVED AGGREGATE MEETS ALL
SPECIFICATION STANDARDS FOR ALL TYPE-A-DERIVED TIRES, AS
ESTABLISHED BY THE ASTM STANDARD D6270; AND

15 (e) THREE TIERS OF REBATE AMOUNTS THAT THE DEPARTMENT
16 MAY PAY OUT BASED ON THE AMOUNT OF THE WASTE TIRE THAT WAS USED
17 AND DESTROYED AS FOLLOWS:

18 (I) TIER 1: FULL REBATES GOING TO END USES THAT COMPLETELY
19 DESTROY THE WASTE TIRE FOR THE PURPOSE OF ENERGY RECOVERY;

20 (II) TIER 2: FIFTY PERCENT OF THE FULL REBATE GOING TO END
21 USES SUCH AS MOLDED PRODUCTS, CRUMBED RUBBER, AND RUBBER
22 MULCH; AND

(III) TIER 3: TWENTY-FIVE PERCENT OF THE FULL REBATE GOING
TO END USES FOR ALTERNATIVE DAILY COVER AND TIRE-DERIVED
AGGREGATE THAT MEET THE ASTM STANDARD D6270.

26 (6) THE DEPARTMENT:

27 (a) SHALL PAY:

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1 (I) THE REBATE ONLY FOR WASTE TIRES THAT ARE GENERATED 2 AND PROCESSED IN COLORADO; AND

3 (II) TO AN END USER ONLY IF THE END USE INVOLVES
4 TIRE-DERIVED PRODUCTS IN COLORADO OR USE OF THE ENTIRE WASTE TIRE
5 TO GENERATE ENERGY OR FUEL IN COLORADO; AND

(b) MAY DENY:

6

7 (I) THE REBATE TO A PERSON THAT IS OUT OF COMPLIANCE WITH
8 ANY STATE OR FEDERAL ENVIRONMENTAL LAWS, RULES, OR REGULATIONS;
9 AND

(II) ALL FUTURE REBATES TO AN APPLICANT THAT KNOWINGLY OR
INTENTIONALLY PROVIDES FALSE INFORMATION TO THE DEPARTMENT
WHEN APPLYING FOR A REBATE.

13 (7) WASTE TIRES OBTAINED FROM RURAL COUNTIES ARE ELIGIBLE FOR AN ADDITIONAL REBATE AMOUNT OF TWENTY-FIVE DOLLARS PER TON; 14 15 HOWEVER, THE ADDITIONAL REBATE AMOUNT MUST NOT EXCEED THE 16 REBATE AMOUNT FOR TIER 3 REBATES AS DETERMINED BY THE 17 COMMISSION BY RULE PURSUANT TO SUBSECTION (5)(e)(III) OF THIS 18 SECTION. TO QUALIFY FOR THE ADDITIONAL REBATE AMOUNT SET FORTH 19 IN THIS SUBSECTION (7), AN END USER MUST PROVIDE EVIDENCE TO THE 20 DEPARTMENT DOCUMENTING THE COUNTY OF ORIGIN FOR EACH WASTE 21 TIRE.

(8) THE DEPARTMENT SHALL REQUIRE THAT AN END USER SUBMIT
AN APPLICATION FOR A REBATE THAT CONTAINS SELF-CERTIFICATIONS
PROVIDED BY THE END USER REGARDING:

25 (a) THE TOTAL TONNAGE OF TIRES PROCESSED; AND

26 (b) THE TOTAL TONNAGE OF TIRES COLLECTED IN RURAL27 COUNTIES.

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(9) (a) THE DEPARTMENT MAY ISSUE REBATES AFTER JANUARY 1,
 2024, ONLY FOR END USES OCCURRING AND REBATES APPLIED FOR BEFORE
 JANUARY 1, 2024.

4 (b) THE COMMISSION SHALL REPEAL ANY RULES CONCERNING THE
5 FUND AND IMPLEMENTATION OF THIS SECTION ONCE THE DEPARTMENT HAS
6 ISSUED THE FINAL REBATES PURSUANT TO SUBSECTION (9)(a) OF THIS
7 SECTION.

8 (c) ON JULY 1, 2025, THE STATE TREASURER SHALL TRANSFER ANY
9 MONEY LEFT IN THE FUND TO THE GENERAL FUND.

10 (10) This section is repealed, effective July 1, 2025.

SECTION 5. In Colorado Revised Statutes, 30-20-1415, amend
 (1)(j) and (3) as follows:

30-20-1415. Waste tire monofills - requirements. (1) An owner
or operator of a waste tire monofill shall, as specified by the commission
by rule:

(j) On an annual basis, for every one waste tire received, end use
at least two FIVE waste tires, or process at least two FIVE waste tires into
tire-derived product; and

(3) AFTER SOLICITING PUBLIC COMMENT, the department may issue
a waiver relating to any requirement of this section; EXCEPT THAT THE
DEPARTMENT SHALL NOT ISSUE A WAIVER OF SUBSECTION (1)(j) OR (1)(k)
OF THIS SECTION TO A WASTE TIRE MONOFILL OWNER OR OPERATOR
UNLESS THE OWNER OR OPERATOR HAS DEMONSTRATED THAT IT HAS
ACHIEVED A NET REDUCTION ON AN ANNUAL BASIS IN THE NUMBER OF
WASTE TIRES IN THE MONOFILL.

26 SECTION 6. Act subject to petition - effective date -27 applicability. (1) This act takes effect at 12:01 a.m. on the day following

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the expiration of the ninety-day period after final adjournment of the 1 2 general assembly (August 2, 2019, if adjournment sine die is on May 3, 3 2019); except that, if a referendum petition is filed pursuant to section 1 4 (3) of article V of the state constitution against this act or an item, section, 5 or part of this act within such period, then the act, item, section, or part 6 will not take effect unless approved by the people at the general election 7 to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor. 8

9 (2) This act applies to conduct occurring on or after the applicable
effective date of this act.